



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

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VIA AIRBORNE EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Dear Mr. Williams:

Enclosed please find two (2) counterparts, properly executed and acknowledged, of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Sublease Termination and Purchase Agreement, a secondary document, dated as of December 24, 2003. The secondary documents to which this is connected are recorded under Recordation Nos. 16674-A and 16674-B, each of which is a secondary document to the primary document recorded under Recordation No. 16674.

The names and addresses of the parties to the secondary document are as follows:

Lessor: Orix Aircraft Corporation
Project Finance & Leasing Marketing Dept.
International Headquarters
World Trade Center Building
35F 2-4-1 Hamamatsu-cho
Minato-ku, Tokyo, 105 Japan

Lessee: RXC Limited
c/o Natwest International
Trust Corporation (Cayman) Limited
P.O. Box 707

RECORDATION NO. 16674-E FILED

AUG 10 '04

11-06 AM

SURFACE TRANSPORTATION BOARD

David A. Shelton
Assistant General Solicitor

August 5, 2004
EQ000003



Mr. Vernon A. Williams
August 5, 2004
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West Bay Road
Georgetown
Grand Cayman, Cayman Islands
British West Indies

Sublessee: Norfolk Southern Railway Company
(formerly Southern Railway Company, the
name used in the original filing)
Three Commercial Place
Norfolk, Virginia 23510

The equipment originally covered by the document is generally described as follows:

<u>Number of Units</u>	<u>General Description</u>	<u>AAR Symbol</u>	<u>Road Numbers (inclusive)</u>
45	Model Dash 8-32B Diesel-Electric Locomotives (General Electric Company)	SOU	3522-3566
33	GP 59 Diesel-Electric Locomotives (General Motors EMD)	SOU	4609-4641

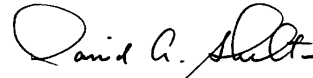
A recordation fee of \$30.00 is enclosed pursuant to 49 CFR § 1002.2(f)(83). Please return any counterparts not needed by the Board for recordation to me at the above address.

A short summary of the document to appear in the index follows:

Sublease Termination and Purchase Agreement dated as of December 24, 2003, to terminate Sublease Agreement No. 1 with Recordation No. 16674-A and Sublease Agreement No. 2 with Recordation No. 16674-B, each dated as of December 27, 1989, covering together 45 General Electric Model Dash 8-32B diesel-electric locomotives numbered 3522-3566, inclusive, and 33 EMD GP 59 diesel-electric locomotives numbered 4609-4641, inclusive.

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August 5, 2004
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Sincerely,


David A. Shelton

Enclosures

RECORDATION NO. 16674-E FILED

AUG 10 '04

11-06 AM

**SETTLEMENT AGREEMENT
FOR
LEASE AGREEMENTS AND SUBLEASE AGREEMENTS**

SURFACE TRANSPORTATION BOARD

THIS SETTLEMENT AGREEMENT FOR LEASE AGREEMENTS AND SUBLEASE AGREEMENTS (this "Agreement") is made as of December 24, 2003, by and between ORIX AIRCRAFT CORPORATION, a corporation organized and existing under the laws of Japan ("Lessor"), RWC LIMITED, a corporation organized and existing under the laws of the Cayman Islands ("Lessee"), and NORFOLK SOUTHERN RAILWAY COMPANY (formerly Southern Railway Company), a corporation organized and existing under the laws of the Commonwealth of Virginia ("Sublessee").

WHEREAS, Lessor is the owner of forty-five (45) 3,200 H.P. Model Dash 8-32B diesel-electric locomotives marked with the road numbers of Lessee 3522 through 3566, inclusive ("Locomotive Pool No. 1"); and

WHEREAS, Lessor is the owner of thirty-three (33) 3,000 H.P. GP 59 diesel-electric locomotives marked with the road numbers of Lessee 4609 through 4641, inclusive ("Locomotive Pool No. 2"); and

WHEREAS, Lessee and Lessor are parties to that certain Lease Agreement No. 1 dated as of December 27, 1989 ("Lease Agreement No. 1"), with respect to Locomotive Pool No. 1 and that certain Lease Agreement No. 2 dated as of December 27, 1989 ("Lease Agreement No. 2"), with respect to Locomotive Pool No. 2; and

WHEREAS, Sublessee and Lessee are parties to: (i) that certain Sublease Agreement No. 1 dated as of December 27, 1989, with respect to Locomotive Pool No. 1, recorded with the Interstate Commerce Commission ("ICC") pursuant to 49 U.S.C. section 11301 on December 27, 1989 and assigned recordation number 16674-A ("Sublease Agreement No. 1"); and (ii) that certain Sublease Agreement No. 2 dated as of December 27, 1989, with respect to Locomotive Pool No. 2, recorded with the ICC pursuant to 49 U.S.C. section 11301 on December 27, 1989 and assigned recordation number 16674-B ("Sublease Agreement No. 2"); and

WHEREAS, Sublessee and Lessee and Lessor are parties to that certain Permitted Sublessee Liability Agreement dated as of December 27, 1989 (the "Sublessee Liability Agreement"); and

WHEREAS, pursuant to Clause 13, Section 13.5 of each of Lease Agreement No. 1 and Lease Agreement No. 2 (collectively, the "Lease Agreements"), Lessee has the right to purchase Locomotive Pool No. 1 and Locomotive Pool No. 2 (sometimes referred to collectively as the "Locomotive Pools"), respectively; and

WHEREAS, pursuant to Section 3 of the Sublessee Liability Agreement, Lessee assigned to Sublessee Lessee's rights under Clause 13 of each of Lease Agreement No. 1 and Lease Agreement No. 2 to exercise options to purchase the Locomotive Pools; and

WHEREAS, Sublessee exercised the assigned purchasing options on August 27, 2003, whereby Lessee shall purchase the Locomotive Pools upon the expiry of the Lease Agreements, both of which shall expire on the Lease Expiry Date as defined therein; and

WHEREAS, Sublessee desires to purchase Locomotive Pools as permitted under Sublease Agreement No. 1 and Sublease Agreement No. 2 (collectively, the "Sublease Agreements"), and Lessee is willing to sell the same to Sublessee;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereby agree as follows:

1. Settlement Procedure. To facilitate the settlement of the resultant transactions among the parties hereto pertaining to the Locomotive Pools, the parties agree that the following steps shall be taken on December 24, 2003 (collectively, the "Settlement Procedure"):

- (1) Subject to Lessor's receipt of the Settlement Amount (as hereinafter defined), Lessor shall deliver to Sublessee a bill of sale for Locomotive Pool No. 1 and Locomotive Pool No. 2 in the form of Exhibit A hereto (the "Bill of Sale").
- (2) The parties hereto acknowledge that Sublessee is in possession of Locomotive Pools pursuant to Sublease Agreements, and further the parties shall agree that the delivery thereof shall be deemed already accepted by Sublessee at Harrisburg, Pennsylvania.
- (3) Sublessee shall pay the sum of both of the Purchase Option Prices as defined in the Lease Agreements plus the amount of outstanding indebtedness that Lessee owes to Lessor under the Lease Agreements on the Lease Expiry Date.
- (4) Subject to Lessor's receipt of the Settlement Amount in full, upon the occurrence of (1) and (2), each party's rights pertaining to the purchase and sale of Locomotive Pools shall be extinguished and none of the parties shall have any further obligations corresponding thereto.

2. Warranties. The purchase and sale contemplated by Lease Agreements and Sublease Agreements shall be **AS IS, WHERE IS, WITH ALL FAULTS**, and without warranty whatsoever except as set forth in the Bill of Sale.

3. Sublease Termination. Upon consummation of the Settlement Procedure, Lease Agreement No. 1, Lease Agreement No. 2, Sublease Agreement No. 1 and Sublease

Agreement No. 2 shall terminate with respect to Locomotive Pool No. 1 and Locomotive Pool No. 2, as the case may be, provided that certain Clauses thereof shall survive the termination so long as set forth therein.

4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute a single agreement.

5. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(Intentionally Blank)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their representatives duly authorized in that behalf as of the date first above written.

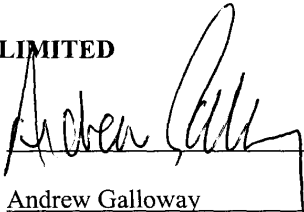
ORIX AIRCRAFT CORPORATION

By: 

Name: Koichiro Muta

Title: Representative Director

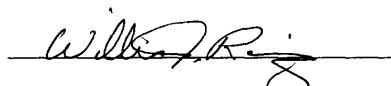
RWC LIMITED

By:  13 April 2004

Name: Andrew Galloway

Title: Director

**NORFOLK SOUTHERN RAILWAY
COMPANY**

By: 

Name: William J. Romig

Title: Vice President and Treasurer

EXHIBIT A

BILL OF SALE

The undersigned, Orix Aircraft Corporation, a corporation organized and existing under the laws of Japan, does hereby sell, assign, transfer and convey to Norfolk Southern Railway Company, a corporation organized and existing under the laws of the Commonwealth of Virginia, all of its right, title and interest in and to the following units of railroad equipment:

Forty-five (45) 3,200 H.P. Model Dash 8-32B diesel-electric locomotives marked with the road numbers of Norfolk Southern Railway Company 3522 through 3566, inclusive; and

Thirty-three (33) 3,000 H.P. GP 59 diesel-electric locomotives marked with the road numbers of Norfolk Southern Railway Company 4609 through 4641, inclusive.

Such conveyance is AS IS, WHERE IS, with all faults, and without any warranty whatsoever except as set forth below.

The undersigned does hereby warrant and represent to Norfolk Southern Railway Company that the undersigned was the owner the units of railroad equipment conveyed hereby and has good title and the right to sell the same and the units of railroad equipment conveyed hereby are free of any claim, lien, or security interest arising from, through or under the undersigned from events not arising under the lease of such units to RWC Limited or the sublease thereunder to Norfolk Southern Railway Company.

IN WITNESS WHEREOF, Orix Aircraft Corporation has caused its name to be signed hereto by one of its corporate officers this ____ day of December, 2003.

ORIX AIRCRAFT CORPORATION

By: _____

Name: _____

Title: _____

NOTARIAL CERTIFICATE

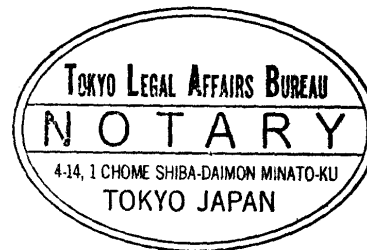
I, the undersigned NOTARY, do hereby certify that Mr. Koichiro Muta, Representative Director of ORIX Aircraft Corporation (the "Company"), who has been duly authorized to execute and deliver the foregoing instrument for and on behalf of the Company, being legally established and existing under the laws of Japan and having its registered head office at 4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan, has executed in my very presence the foregoing instrument.

Dated this 15th day of ~~December~~^{May}, 2004²⁰⁰³.

Takua Kubouchi
Notary

Tokyo Legal Affairs Bureau, Japan
TAKUA KUBOUCHI
NOTARY

TOKYO LEGAL AFFAIRS BUREAU, JAPAN



I, do hereby certify that on this 13th day of April, 2004, before me, a Notary Public, personally appeared Andrew Galloway, to me personally known, who, being by me duly sworn, says he is a director of RWC Limited, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

RODGER WALTER PATTINSON YL
NOTARY PUBLIC
THE CAYMAN ISLANDS
#103

STATE OF VIRGINIA)
CITY OF NORFOLK)

On this 15th day of ~~December~~^{JUNE, 2004}, 2003²⁰⁰⁴, before me, a Notary Public, personally appeared William J. Romig, to me personally known, who, being by me duly sworn, says he is Vice President and Treasurer of Norfolk Southern Railway Company, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

My commission expires: MARCH 31, 2007

平成16年登簿第 479 号

認 証

囑託人 オリックス・エアクラフト株式会社代表取締役牟田興一郎は、
別紙編綴の証書における署名が自己のものに相違ない旨
本公証人の面前で自認した。

よって、これを認証する。

平成16年 5 月 25 日、本公証人役場において

東京都港区芝大門1丁目4番14号
東京法務局所属

公 証 人
Notary

之澤内幸五

TAKUA KUBOUCHI

証 明

上記署名は、東京法務局所属公証人の署名に相違ないものであり、かつ、その押印は、
真実のものであることを証明する。

平成16年 5 月 25 日

東京法務局長

石井政治



APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Country: JAPAN

This public document

2. has been signed by TAKUA KUBOUCHI

3. acting in the capacity of Notary of the Tokyo Legal Affairs Bureau

4. bears the seal/stamp of

Certified

5. at Tokyo

6. MAY 25, 2004

7. by the Ministry of Foreign Affairs

8. 04- N2 012818

9. Seal/stamp:

10. Signature

Shinichi HAGIWARA

For the Minister for Foreign Affairs